The Real Estate ANALYST

OCTOBER 1937

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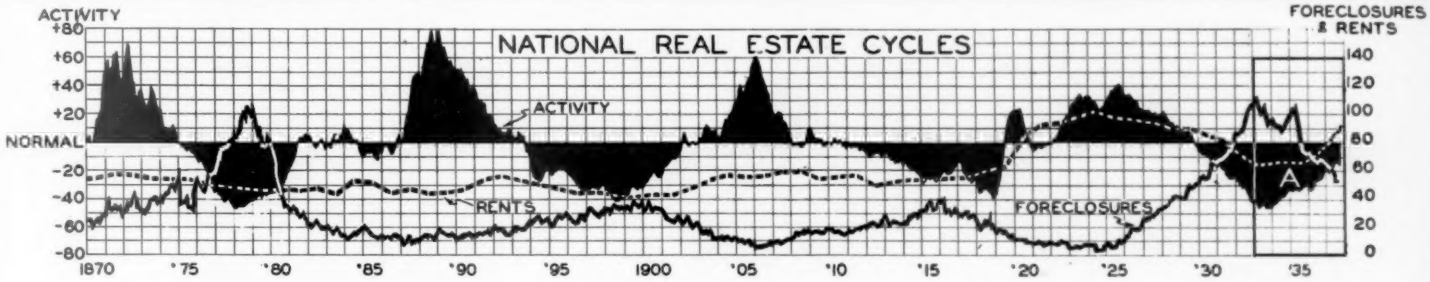
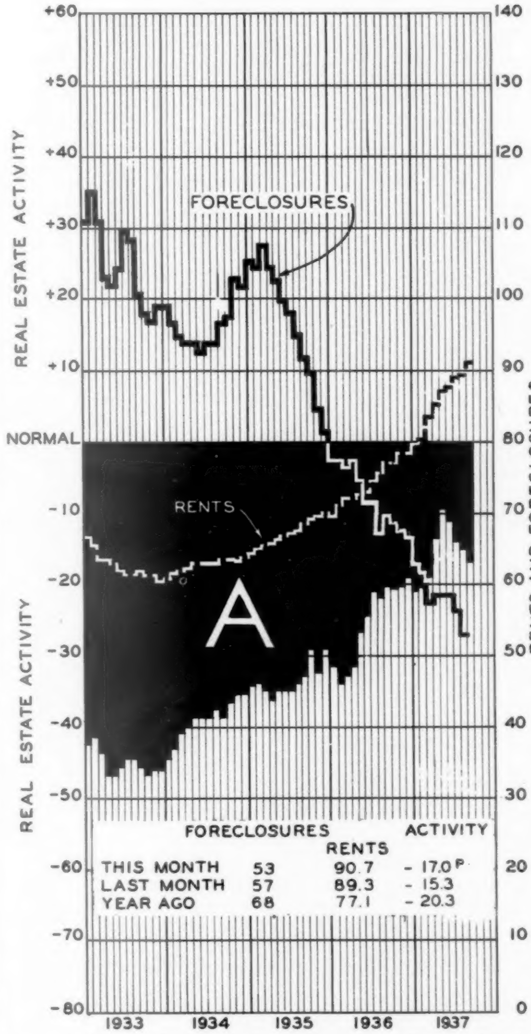
Editor

A concise easily digested monthly analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values...Current Studies...Surveys...Forecasts

Real Estate Economists, Appraisers and Counselors



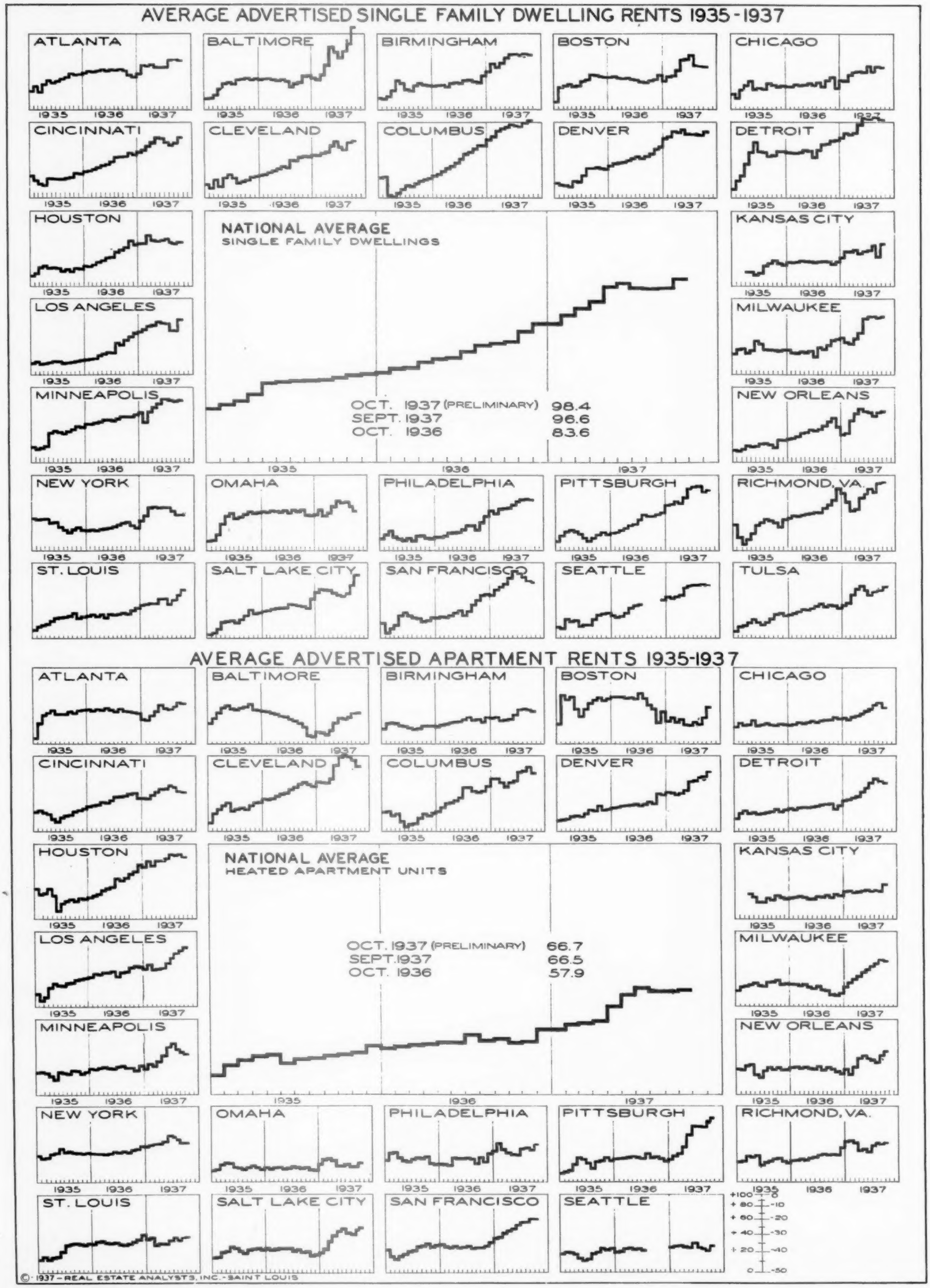


THE chart above shows the fluctuations of urban real estate activity, foreclosures, and rents in the United States from 1870 to the present. The chart to the left is the last five years of the upper chart enlarged to show monthly fluctuations. This chart is explained in detail in the article starting on page 632 in the November issue.

The national average of real estate sales continued to decline for the fourth successive month during September. By referring to page 814 it can be seen that this decline is not at all uniform in all cities. The drop in real estate activity is due to the same fundamentals which have caused the drop in the stock market. Uncertainty concerning the future causes a postponement of capital investment.

Residential rents increased, while building costs showed a slight drop. Residential construction is dropping, and at the present time, corrected for seasonal fluctuation, is proceeding at about half the rate of this last spring. Foreclosures have shown a continued drop.

It seems to us that the recession which we are now experiencing is somewhat similar to the recession in the latter part of the year 1900. That recession was also accompanied by a stock market break of some proportions. (See the charts on page 745 of the June, 1937, Real Estate Analyst.) It will be noticed that the recession of 1900 lasted for about six months and was then followed by a steady rate of improvement. This recession may last for some time longer than that as the stock market break has been more severe. It does not seem to us, however, that any of the factors present in today's picture would suggest any type of major depression.


AVERAGE ADVERTISED SINGLE FAMILY DWELLING RENTS 1935 - 1937
ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
CHICAGO
CINCINNATI
CLEVELAND
COLUMBUS
DENVER
DETROIT
HOUSTON
NATIONAL AVERAGE
SINGLE FAMILY DWELLINGS
OCT. 1937 (PRELIMINARY) 98.4
SEPT. 1937 96.6
OCT. 1936 83.6
KANSAS CITY
LOS ANGELES
MILWAUKEE
MINNEAPOLIS
NEW ORLEANS
NEW YORK
OMAHA
PHILADELPHIA
PITTSBURGH
RICHMOND, VA.
ST. LOUIS
SALT LAKE CITY
SAN FRANCISCO
SEATTLE
TULSA
1935
1936
1937
AVERAGE ADVERTISED APARTMENT RENTS 1935-1937
ATLANTA
BALTIMORE
BIRMINGHAM
BOSTON
CHICAGO
CINCINNATI
CLEVELAND
COLUMBUS
DENVER
DETROIT
HOUSTON
NATIONAL AVERAGE
HEATED APARTMENT UNITS
OCT. 1937 (PRELIMINARY) 66.7
SEPT. 1937 66.5
OCT. 1936 57.9
KANSAS CITY
LOS ANGELES
MILWAUKEE
MINNEAPOLIS
NEW ORLEANS
NEW YORK
OMAHA
PHILADELPHIA
PITTSBURGH
RICHMOND, VA.
ST. LOUIS
SALT LAKE CITY
SAN FRANCISCO
SEATTLE
+100 0
+80 -10
+60 -20
+40 -30
+20 -40
0 -50
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ADVERTISED RENTALS ON DWELLING UNITS

Real Estate Analysts, Inc., computes the average advertised rent of single family dwelling and heated apartment units each month in the twenty-six metropolitan areas listed below. The figures given are average rents per month per room for all units of each type, large and small, advertised in the classified columns of the leading newspapers of each city. The figures given below, unlike the figures which appeared in earlier issues of The Real Estate Analyst, have been adjusted for seasonal fluctuation, as we have found some regular seasonal fluctuation in our advertised rental prices.

The average rent per month per room of all places advertised will vary considerably from month to month due to the inclusion some months of a larger number of either high or low priced units. The charts on the opposite page show these figures adjusted for seasonal fluctuation, city by city, with large composite charts showing the average fluctuations in principal cities. Advertised rents represent not what properties are actually renting for, but what the owners of the properties believe they will bring. After some adjustment in periods of depression for bargaining between the landlord and the tenant and for other concessions, we are convinced that these rents represent roughly the levels at which properties are being rented currently. The last figures are preliminary, based on the advertisements appearing during the first two weeks of the month.

1935

	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
SINGLE FAMILY DWELLINGS								
National Index	74.9	75.1	74.0	74.5	75.5	75.3	76.4	76.8
Atlanta	$6.54	$6.43	$6.52	$6.66	$6.75	$6.97	$6.91	$6.93
Baltimore	5.77	5.81	5.71	5.98	5.99	6.03	5.91	5.99
Birmingham	5.27	5.11	4.85	4.80	5.01	5.12	5.05	5.03
Boston	6.85	6.89	7.19	7.27	7.61	7.58	7.45	7.40
Chicago	9.77	9.11	9.21	9.11	9.55	9.45	9.36	9.39
Cincinnati	7.76	7.83	7.82	7.81	7.90	7.93	8.23	8.19
Cleveland	7.87	8.10	7.86	7.43	7.70	7.73	7.92	8.00
Columbus	4.75	4.88	5.07	5.01	5.16	5.26	5.38	5.40
Denver	5.24	5.23	5.53	5.90	5.90	5.99	5.93	5.89
Detroit	8.34	9.13	8.40	8.35	8.10	8.18	8.42	8.42
Houston	7.17	7.18	7.11	6.90	7.06	6.87	7.10	7.09
Kansas City	4.60	4.50	4.56	4.88	4.98	5.10	4.96	4.90
Los Angeles	8.46	8.56	8.54	8.40	8.43	8.46	8.53	8.64
Milwaukee	8.17	8.90	8.64	8.20	8.19	8.13	8.12	8.15
Minneapolis	5.94	6.08	6.00	5.92	6.01	6.18	6.30	6.27
New Orleans	5.21	5.22	5.34	5.35	5.30	5.20	5.49	5.54
New York	12.35	12.36	11.92	11.61	11.43	11.62	11.82	11.59
Omaha	6.21	6.37	6.10	6.19	6.31	6.46	6.39	6.41
Philadelphia	5.71	5.57	5.63	5.48	5.77	5.78	5.68	5.66
Pittsburgh	7.15	6.99	6.76	6.59	6.77	6.96	7.10	6.98
Richmond	5.86	6.32	6.47	6.63	6.59	6.44	6.24	6.63
Saint Louis	6.48	6.62	6.64	6.65	6.78	6.91	6.68	6.73
Salt Lake City	5.23	5.30	5.20	5.34	5.57	5.58	5.65	5.69
San Francisco	7.36	7.56	7.36	7.22	7.17	7.00	7.05	7.28
Seattle	5.30	5.05	5.07	5.07	5.31	5.56	5.62	5.65
Tulsa	6.51	6.34	6.28	6.38	6.58	6.86	6.95	6.79
HEATED APARTMENT UNITS								
National Index	56.0	54.7	55.3	55.5	55.8	56.1	56.3	57.3
Atlanta	$10.25	9.88	9.88	9.88	10.11	9.99	10.23	10.26
Baltimore	12.02	11.70	11.68	11.75	11.95	12.20	11.59	11.55
Birmingham	8.29	8.25	8.11	8.01	8.08	8.30	8.30	8.30
Boston	10.99	10.33	10.96	11.59	11.95	12.19	11.90	12.08
Chicago	11.85	11.33	11.39	11.51	11.40	11.38	11.47	11.43
Cincinnati	10.13	9.86	10.23	10.41	10.47	10.70	10.86	11.06
Cleveland	9.71	9.18	9.25	9.34	9.25	9.51	9.76	9.83
Columbus	8.24	7.90	8.05	8.09	8.58	8.89	8.72	8.94
Denver	9.76	9.73	10.01	10.43	10.27	10.76	10.43	10.48
Detroit	10.16	10.00	10.06	10.17	10.24	10.43	10.25	10.35
Houston	8.13	7.06	7.54	7.77	7.86	7.77	7.91	7.86
Kansas City	6.72	6.44	6.44	6.70	6.59	6.81	6.73	6.64
Los Angeles	11.17	10.96	10.88	11.22	11.27	11.47	11.62	11.69
Milwaukee	9.91	9.70	9.66	10.03	10.09	10.20	9.89	9.90
Minneapolis	8.13	8.75	8.68	8.65	8.86	8.81	8.67	8.73
New Orleans	7.74	7.70	8.18	8.40	8.23	8.38	8.28	8.28
New York	17.56	18.34	17.82	17.85	17.80	17.69	17.60	17.67
Omaha	10.66	10.27	9.97	10.13	10.22	10.40	10.23	10.07
Philadelphia	13.51	13.41	13.67	13.82	13.77	13.92	13.11	13.03
Pittsburgh	10.01	9.83	9.59	9.20	9.64	9.76	10.00	9.77
Richmond	10.23	9.41	9.62	9.76	9.93	9.97	9.77	9.68
Saint Louis	8.75	9.19	9.71	9.81	9.86	9.81	9.72	9.84
Salt Lake City	9.55	9.40	9.29	9.06	9.31	9.38	9.40	9.36
San Francisco	10.56	10.85	10.94	11.40	11.48	11.69	11.41	11.49
Seattle	9.69	9.51	9.65	10.06	10.21	10.58	10.48	10.52

1936

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
SINGLE FAMILY DWELLINGS												
National Index	77.0	77.9	78.0	79.3	79.8	80.1	79.4	82.9	83.2	83.6	86.2	88.2
Atlanta	$7.03	$7.16	$7.15	$7.20	$7.23	$7.17	$7.22	$7.21	$7.29	$7.15	$6.89	$6.75
Baltimore	5.92	5.94	5.95	5.91	5.89	5.93	5.85	5.60	5.76	5.81	6.18	6.20
Birmingham	5.01	5.03	5.06	4.98	5.13	5.15	5.13	5.27	5.28	5.20	5.18	5.50
Boston	7.40	7.42	7.31	7.29	7.30	7.25	7.23	7.09	7.05	7.20	7.30	7.55
Chicago	9.38	9.38	9.46	9.44	9.45	9.53	9.41	9.67	9.32	9.80	10.11	9.25
Cincinnati	8.34	8.38	8.53	8.68	8.83	8.93	9.11	9.50	9.53	9.54	9.83	9.70
Cleveland	8.07	8.13	8.30	8.40	8.59	8.75	8.69	9.28	9.27	9.48	9.53	9.60
Columbus	5.53	5.65	5.79	5.95	6.07	6.23	6.42	6.71	6.83	7.07	7.25	7.25
Denver	6.08	6.21	6.26	6.28	6.36	6.48	6.54	6.46	6.59	6.77	7.05	7.14
Detroit	8.35	8.32	8.29	8.40	8.55	8.51	8.09	8.49	9.03	9.04	9.31	9.35
Houston	7.22	7.21	7.35	7.50	7.62	7.81	7.85	8.29	8.40	8.62	9.15	8.84
Kansas City	5.04	5.02	5.05	5.10	5.09	5.05	5.03	5.05	5.07	5.05	4.94	5.03
Los Angeles	8.68	8.72	8.74	9.04	9.18	9.28	9.25	10.05	9.85	10.34	10.62	11.12
Milwaukee	8.15	7.99	7.98	8.03	8.00	8.10	7.73	8.38	8.23	8.56	8.98	9.08
Minneapolis	6.42	6.42	6.49	6.56	6.67	6.67	6.64	6.78	6.85	6.85	6.85	6.99
New Orleans	5.64	5.65	5.74	5.90	5.98	6.10	6.05	6.13	6.34	6.55	6.78	6.24
New York	11.52	11.59	11.52	11.69	11.71	11.77	11.99	12.14	12.38	12.43	12.12	11.77
Omaha	6.46	6.40	6.47	6.44	6.42	6.50	6.37	6.50	6.47	6.52	6.27	6.22
Philadelphia	5.70	5.70	5.75	5.90	5.95	5.97	6.11	6.30	6.30	6.19	6.49	6.85
Pittsburgh	7.10	7.12	7.26	7.39	7.59	7.67	7.95	8.33	8.28	8.28	8.33	8.51
Richmond	6.71	6.86	6.85	6.90	6.96	7.07	7.11	7.10	7.39	7.69	7.98	8.88
Saint Louis	6.79	6.82	6.76	6.82	6.65	6.86	6.81	6.84	6.93	6.86	7.15	7.30
Salt Lake City	5.78	5.79	5.90	5.94	5.97	6.00	6.15	6.11	6.08	6.04	5.94	6.45
San Francisco	7.26	7.31	7.29	7.36	7.54	7.70	7.41	7.70	8.18	8.52	8.97	9.01
Seattle	5.55	5.45	5.51	5.70	5.96	6.09	6.19	x	x	x	x	6.40
Tulsa	6.84	6.95	7.06	7.14	7.12	7.26	7.38	7.52	7.34	7.45	7.41	7.27
HEATED APARTMENT UNITS												
National Index	56.9	57.3	57.6	57.5	58.0	58.0	57.1	58.2	58.4	57.9	58.0	60.1
Atlanta	10.28	10.20	10.32	10.31	10.45	10.34	10.20	10.35	10.21	10.13	10.04	9.96
Baltimore	11.49	11.48	11.23	11.21	10.98	10.85	10.64	10.50	10.26	9.95	9.26	9.20
Birmingham	8.29	8.36	8.40	8.53	8.55	8.60	8.80	8.97	8.77	8.80	8.59	8.92
Boston	12.30	12.30	12.30	12.23	12.20	12.05	12.70	12.20	11.49	11.09	9.80	10.72
Chicago	11.40	11.46	11.58	11.51	11.61	11.71	11.61	11.80	11.82	11.90	12.20	12.03
Cincinnati	11.26	11.36	11.47	11.69	11.63	11.91	12.33	12.40	12.44	12.67	12.70	12.20
Cleveland	10.10	10.09	10.15	10.40	10.60	10.67	11.00	11.27	11.57	11.68	11.53	11.36
Columbus	9.07	9.38	9.74	9.76	10.00	10.21	11.30	11.30	10.79	10.74	10.82	11.38
Denver	10.53	10.60	10.71	10.72	10.76	10.86	10.69	10.90	11.15	10.98	11.99	11.92
Detroit	10.49	10.40	10.59	10.61	10.59	10.65	10.69	10.81	10.88	10.90	10.46	10.74
Houston	8.00	8.12	8.26	8.53	8.70	8.78	9.47	9.31	9.50	9.87	10.12	10.69
Kansas City	6.68	6.73	6.78	6.73	6.68	6.68	6.79	6.74	6.86	6.71	6.90	6.85
Los Angeles	11.75	12.09	12.07	12.21	12.21	12.44	12.79	12.33	12.36	12.79	12.96	12.92
Milwaukee	9.88	9.85	9.73	9.85	9.64	9.51	9.70	9.40	9.34	9.06	9.05	9.13
Minneapolis	9.00	8.94	9.05	9.11	9.04	9.03	9.14	9.19	9.04	9.04	8.86	9.22
New Orleans	8.41	8.49	8.35	8.44	8.37	8.34	8.54	8.24	8.42	8.28	8.10	7.95
New York	17.58	17.56	17.57	17.57	17.67	17.80	17.74	17.88	17.68	18.05	18.22	18.72
Omaha	10.23	10.11	10.21	10.24	10.10	10.21	10.38	10.32	10.27	10.30	10.00	10.02
Philadelphia	13.07	13.10	12.95	12.85	12.82	12.82	12.85	12.76	13.11	13.87	13.48	14.44
Pittsburgh	9.91	9.92	9.96	10.02	10.03	10.02	9.99	10.45	10.11	10.16	9.95	9.72
Richmond	9.80	9.89	10.01	9.85	10.01	10.03	10.29	10.41	10.31	10.41	10.40	11.00
Saint Louis	9.79	10.04	10.07	9.96	9.89	9.95	9.76	9.74	9.79	10.04	10.23	10.57
Salt Lake City	9.45	9.33	9.40	9.45	9.45	9.46	9.30	9.37	9.19	9.21	8.90	8.94
San Francisco	11.59	11.44	11.39	11.49	11.30	11.38	11.49	11.22	11.30	11.30	11.42	11.81
Seattle	10.23	10.37	10.53	10.60	10.50	10.56	10.46	x	x	x	x	10.32

1937

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	*Oct.
SINGLE FAMILY DWELLINGS										
National Index	88.2	90.1	91.7	93.8	96.3	97.2	97.0	96.2	96.6	98.4
Atlanta	$6.99	$7.50	$7.47	$7.56	$7.37	$7.33	$7.33	$7.79	$7.85	$7.79
Baltimore	6.05	5.96	6.22	6.74	7.84	7.50	7.11	7.58	8.08	9.32
Birmingham	5.70	6.13	5.93	6.19	6.41	6.60	6.59	6.45	6.52	6.49
Boston	7.19	7.48	7.55	7.91	8.58	8.64	8.98	8.20	8.17	8.06
Chicago	9.85	9.83	10.31	10.55	10.62	10.56	11.11	10.65	11.00	10.95
Cincinnati	9.98	10.12	10.49	10.79	11.29	11.18	10.60	10.48	10.68	11.08
Cleveland	9.65	9.62	9.82	9.95	10.40	10.62	10.25	9.99	10.62	10.71
Columbus	7.64	7.86	8.22	8.44	8.54	8.65	8.60	8.54	8.74	8.94
Denver	7.75	7.85	8.23	8.20	8.40	8.02	7.93	7.96	7.82	8.18
Detroit	9.59	9.90	9.80	9.91	10.57	11.34	11.20	11.23	11.28	10.93
Houston	8.92	8.92	9.55	9.20	9.00	9.10	9.15	8.83	8.78	8.89
Kansas City	5.23	5.55	5.55	5.65	5.46	5.49	5.57	5.82	5.23	5.85
Los Angeles	11.13	11.46	11.73	11.81	12.16	11.72	11.66	11.10	11.15	12.40
Milwaukee	9.14	8.81	8.72	8.54	8.72	9.90	10.16	10.14	9.94	10.00
Minneapolis	7.18	6.53	7.21	7.41	7.74	7.98	7.97	7.94	7.85	7.87
New Orleans	5.81	5.90	6.63	7.07	7.32	7.15	7.13	6.87	7.03	7.18
New York	12.60	13.29	14.21	14.29	14.19	14.08	14.02	13.45	13.20	13.20
Omaha	6.30	6.53	6.21	6.35	6.69	7.03	6.90	6.91	6.57	6.42
Philadelphia	7.22	7.06	7.33	7.36	7.40	7.54	7.70	7.86	7.90	7.84
Pittsburgh	9.17	9.21	9.40	9.26	9.68	10.42	10.65	10.52	10.04	10.25
Richmond	8.52	7.82	7.26	7.34	8.06	8.30	8.70	8.59	9.17	9.29
Saint Louis	7.44	7.59	7.60	7.60	7.89	7.88	7.34	7.74	8.04	8.60
Salt Lake City	6.86	7.05	7.04	6.99	6.82	6.61	6.49	6.67	7.27	7.95
San Francisco	8.99	9.37	9.64	9.83	10.30	10.90	10.58	10.30	9.95	9.93
Seattle	6.58	6.49	6.59	6.69	7.04	7.14	7.26	7.26	7.31	7.22
Tulsa	7.42	7.65	8.23	8.74	8.84	8.45	8.17	8.39	8.48	8.74
HEATED APARTMENT UNITS										
National Index	60.1	60.9	61.0	61.5	64.0	65.4	67.1	66.5	66.5	66.7
Atlanta	9.45	9.36	9.70	10.20	10.62	10.36	10.32	10.45	10.88	10.84
Baltimore	9.55	9.54	9.32	9.64	10.28	10.60	10.66	10.70	11.03	11.22
Birmingham	8.90	8.95	8.69	8.74	8.83	9.10	9.54	9.58	9.50	9.35
Boston	9.83	10.20	9.77	10.06	9.53	9.49	9.70	9.66	10.12	11.02
Chicago	12.10	11.97	12.23	12.30	12.59	12.72	13.20	13.60	13.90	13.20
Cincinnati	12.20	12.12	12.50	12.92	13.12	13.22	13.67	13.34	12.87	12.72
Cleveland	11.81	11.71	11.70	12.08	13.68	14.56	14.62	14.60	14.18	13.46
Columbus	12.13	12.13	11.72	11.28	11.58	11.72	12.69	13.11	13.25	12.77
Denver	12.09	12.08	11.83	12.00	12.38	13.28	13.40	13.71	13.79	14.50
Detroit	11.32	11.45	11.58	11.69	12.00	12.50	13.18	13.69	13.40	13.10
Houston	10.50	11.03	10.60	11.08	11.08	11.12	11.51	11.55	11.60	11.33
Kansas City	7.11	7.12	7.05	7.11	7.09	7.09	7.04	7.23	7.11	7.44
Los Angeles	12.66	13.17	12.51	12.58	12.69	13.26	13.80	14.46	14.57	15.30
Milwaukee	9.65	10.00	10.30	10.62	10.87	11.11	11.51	11.76	12.07	12.00
Minneapolis	9.04	9.35	9.17	9.51	9.96	10.75	11.17	10.45	10.22	10.03
New Orleans	8.31	7.90	8.48	9.19	9.25	8.95	9.07	8.65	9.38	9.65
New York	18.84	18.90	19.00	19.08	19.48	20.22	20.10	19.62	19.15	19.10
Omaha	10.51	11.01	11.09	10.90	10.32	10.42	10.50	10.37	10.42	10.68
Philadelphia	14.75	15.64	14.98	14.50	14.22	14.09	14.92	14.91	14.80	15.40
Pittsburgh	9.90	10.19	10.48	11.09	12.22	13.28	13.30	13.05	13.89	14.20
Richmond	11.62	11.72	11.53	10.72	10.82	10.53	11.16	11.42	11.22	11.35
Saint Louis	10.29	10.38	9.71	9.90	9.79	10.04	10.40	10.19	10.35	10.40
Salt Lake City	9.12	9.40	9.99	10.54	10.80	11.07	10.80	10.68	11.00	11.23
San Francisco	12.28	12.43	12.90	13.19	13.39	13.70	14.00	13.98	14.40	14.40
Seattle	10.65	10.79	10.82	10.75	10.67	10.98	10.73	10.52	10.41	10.78

*Preliminary

xNewspaper strike

THE MARRIAGE RATE AND THE DEMAND FOR RESIDENTIAL UNITS

WE have quite frequently expressed the belief that the demand for space of all types is very elastic. In periods of prosperity it expands, and in periods of depression it contracts. One hundred thousand individuals will occupy far fewer separate housing units in periods of depression than they will in periods of prosperity. One thousand commercial concerns will occupy fewer square feet of office space in periods of depression than they will during periods of great industrial activity. One thousand factories will use a smaller number of square feet of factory space than they will in periods of feverish activity. While these truths are self-evident, it is rather remarkable how seldom they have been recognized during the depression we have just come through. In the period following the stock market collapse in 1929 vacancy of all types of space increased rapidly, and the newspapers and magazines were filled with editorials on the amount of over-building which had taken place in the preceding building boom.

A study of figures on residential vacancy in 131 typical American cities shows that residential vacancy, prior to the market collapse at the beginning of this depression, was comparatively slight in spite of the fact that we had just come through a period when we were producing new family accommodations at a very rapid rate. During this boom the demand for space increased almost as fast as space was produced, and until industrial conditions showed a marked collapse, the shrinkage in demand did not occur which later sky-rocketed vacancy to new heights in the early part of 1933. This rapid increase in residential vacancy occurred at a time when very little new building was being done.

The absorption of vacancy due to the rapidly expanding demand since 1933 has been quite marked. Let us look at the various reasons for this contraction and expansion of demand. We believe that it is due primarily to three things: first, the doubling up of families to save rent; second, the movement away from the cities to farms; and third, the retardation of the marriage rate.

We have discussed in recent issues the movement to and from the farm and the fashion in which this movement away from the cities was hailed in 1932 and 1933 as a permanent reversal of the trend from the farm to the city, and how from 1933 on, in spite of popular opinion, the movement has again been strongly back toward the city. We have discussed in some detail in recent reports the doubling up of families during the depression and the spreading out of these families as industrial conditions improved. In this report we are primarily concerned with the fluctuations in the marriage rate and the effect of these fluctuations on the demand for housing accommodations.

On the long spread on pages 806 to 809 in this report we show the fluctuations in the marriage rate for each metropolitan area in the United States, the central city of which contains more than 100,000 people. To each of these cities we have added each of the surrounding counties which had a marriage rate at least three times the state average. This has been done in order to include all "Gretna Greens". On these charts the average rate for the years 1922 to 1927 is considered as 100, and each year is expressed as a percentage of this average. The larger chart shows the

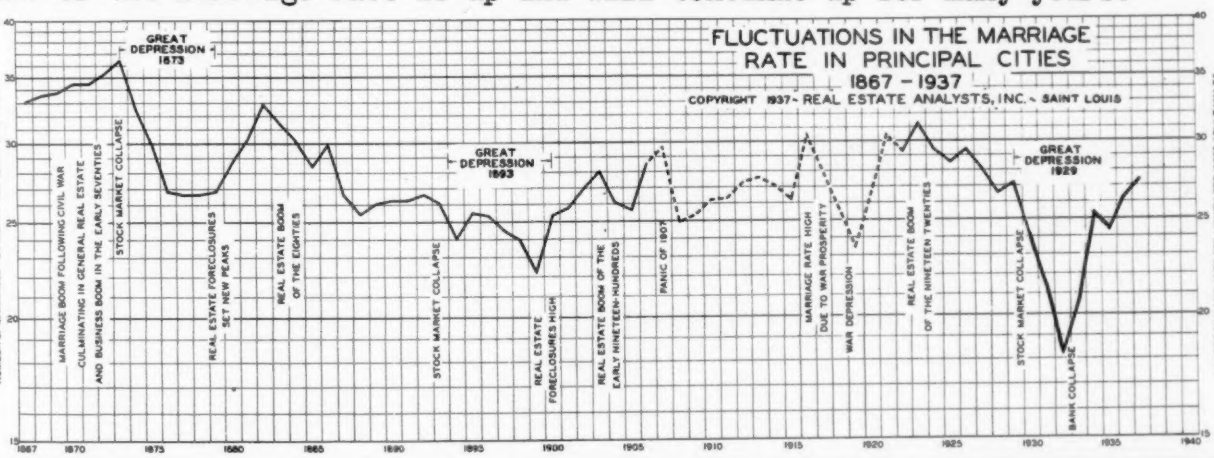
typical fluctuations in the marriage rate in all principal cities.

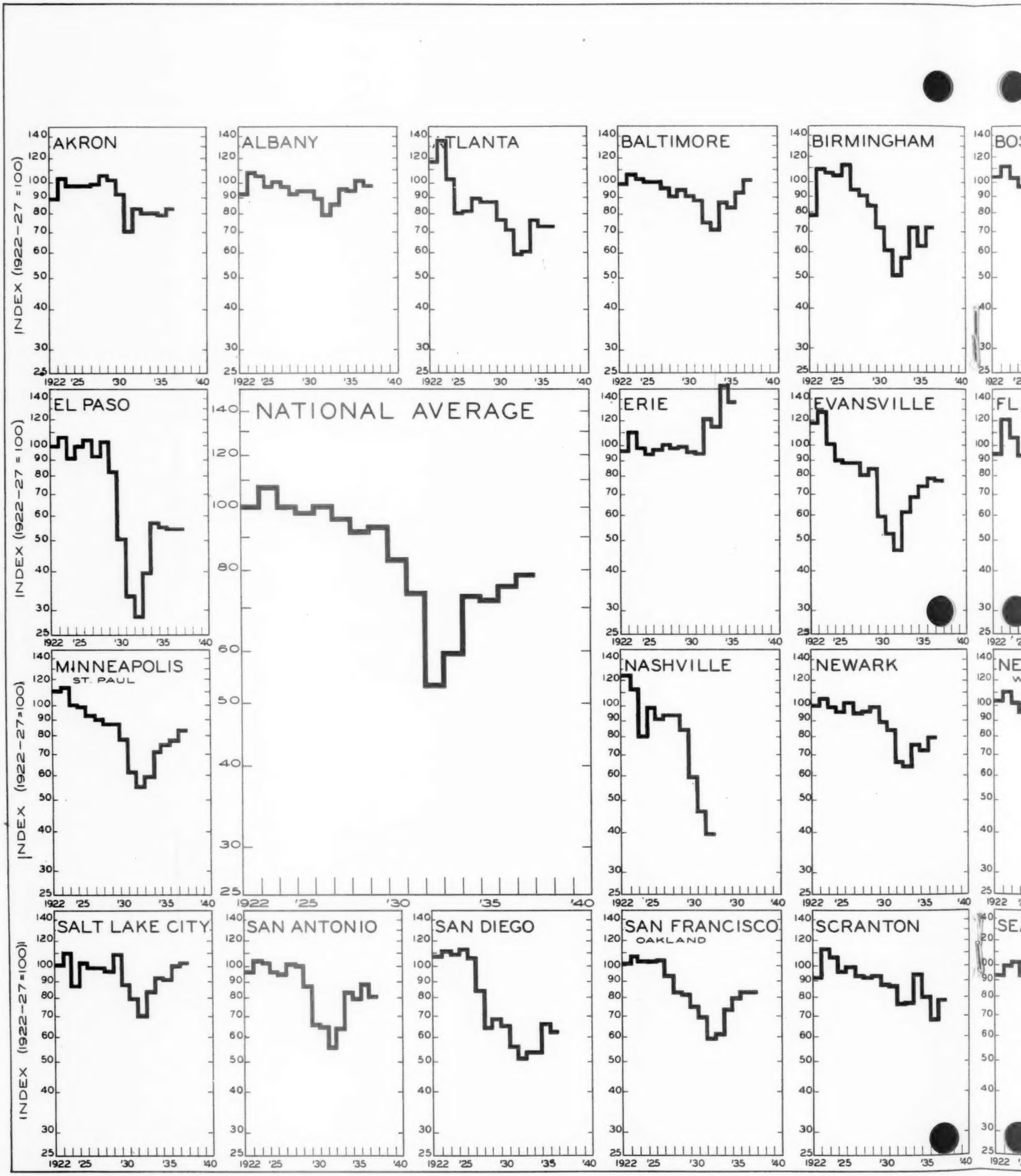
On the chart on the bottom of the page we show the fluctuations in the marriage rate in principal metropolitan areas in the United States from 1867 to the present. The effect of the big depression of the seventies, the low marriage rate in the depression of the nineties, the retardation during the World War, and the unusually low levels during the recent depression are all quite clear on this chart.

In order to understand thoroughly the importance of the variations in the marriage rate it is essential to realize that the dissolution of marriage through either death or divorce proceeds at a far more even rate regardless of booms or depressions. Marriages dissolved by death vary practically not at all with business conditions. Divorces decrease slightly in depression periods and increase slightly in boom periods. In periods of great prosperity the marriage rate exceeds the dissolution rate by a very sizable percentage. In periods of depression the dissolution rate exceeds the marriage rate by a large percentage. During periods of depression the number of separate family units is being decreased by death or divorce faster than it is being increased by new marriages, resulting in a net shrinkage in the number of separate family units.

If these changes were slight, they would affect residential vacancy to only a small degree; but when it is realized that in a depression like the one through which we have just been passing the marriage rate in many cities dropped to less than half of its accustomed height, while the dissolution rate remained practically stable, it can readily be seen that in a few year's time the number of families has shrunk materially. Since 1933, however, the marriage rate in most cities has been increasing rather rapidly as many of the delayed marriages of the depression have been taking place. We believe that the marriage rate will continue to increase, and that for a period of years new marriages will exceed dissolutions of marriage. This increase in the marriage rate is one of the reasons for the rapid absorption of vacancy which we have seen in the last few years.

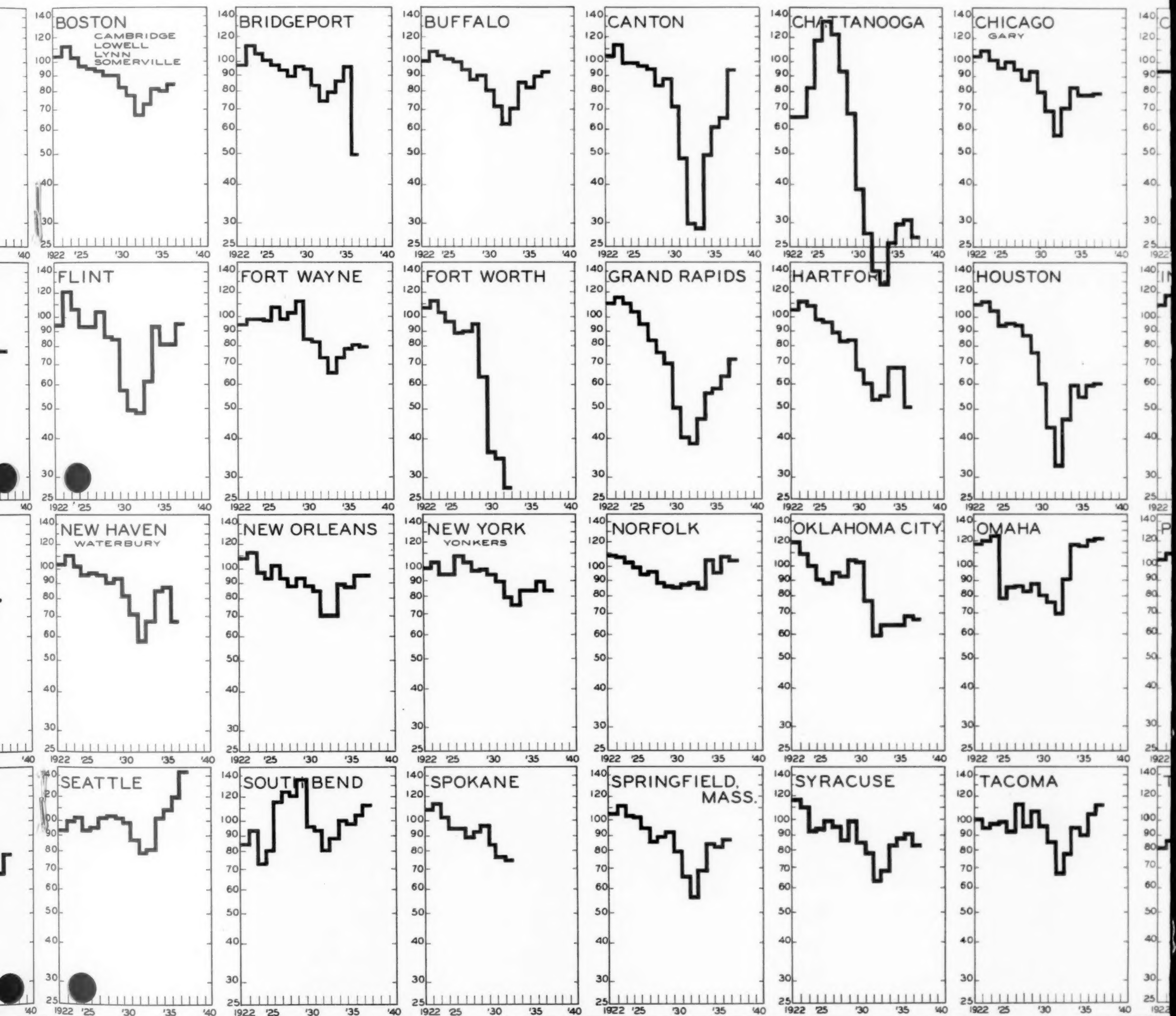
However, the shortage of marriages has been so great that it will take many years with the marriage rate above normal to restore the normal balance of married to single in our population. The marriage rate forms, we believe, one of the best indexes of confidence in the future. When the future is uncertain the marriage rate drops. We anticipate a slight drop this winter due to the general recession in business, but the general movement of the marriage rate is up and will continue up for many years.




AKRON
ALBANY
ATLANTA
BALTIMORE
BIRMINGHAM
EL PASO
NATIONAL AVERAGE
ERIE
EVANSVILLE
MINNEAPOLIS
ST. PAUL
NASHVILLE
NEWARK
SALT LAKE CITY
SAN ANTONIO
SAN DIEGO
SAN FRANCISCO
OAKLAND
SCRANTON
INDEX (1922-27 = 100)

FLUCTUATIONS IN THE MARRIAGE RA

1922 – 1927 = 100



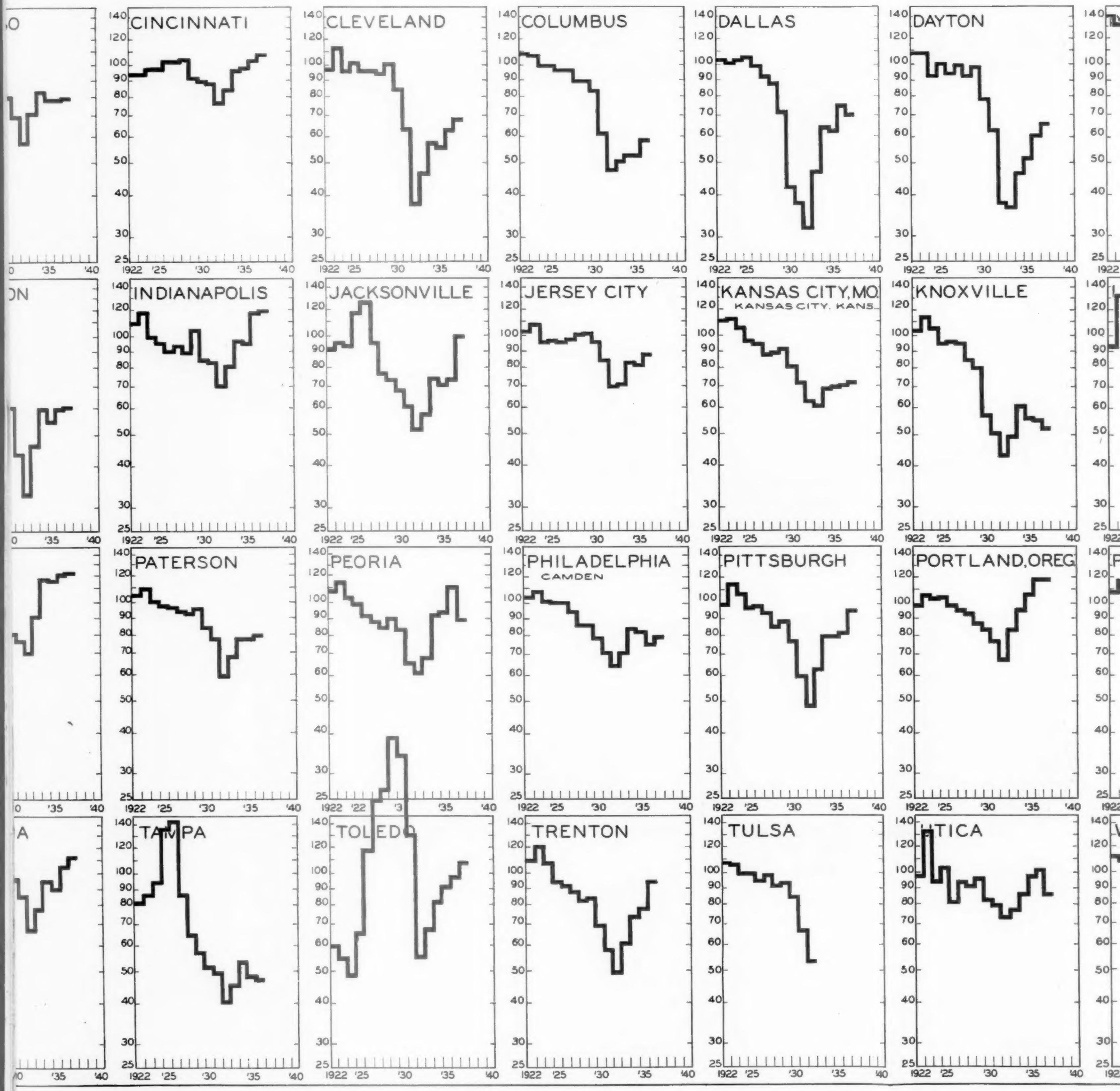
AGE RATE IN PRINCIPAL CITIES

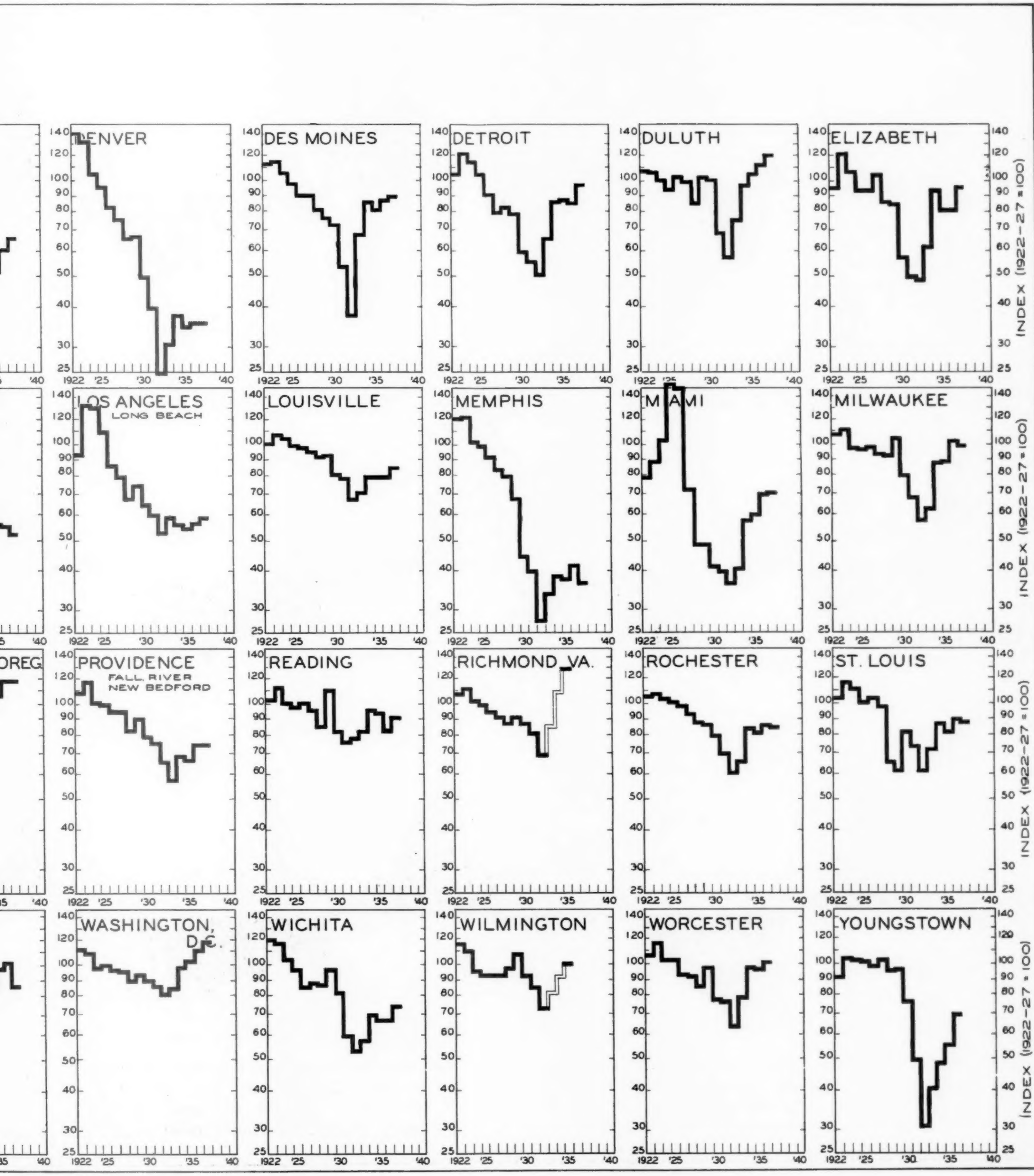
27 = 100

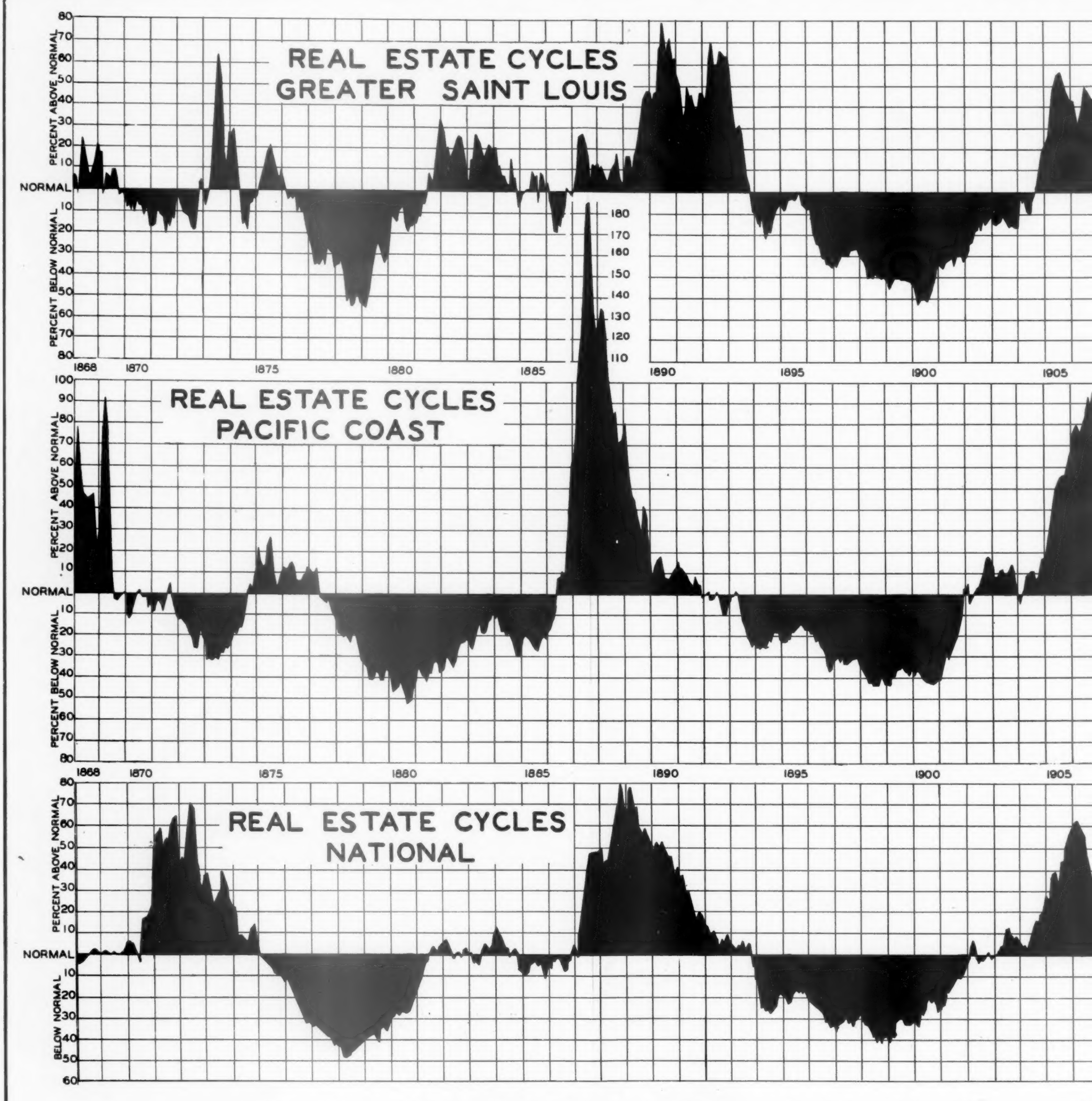
GHT 1937

ANALYSTS, INC.

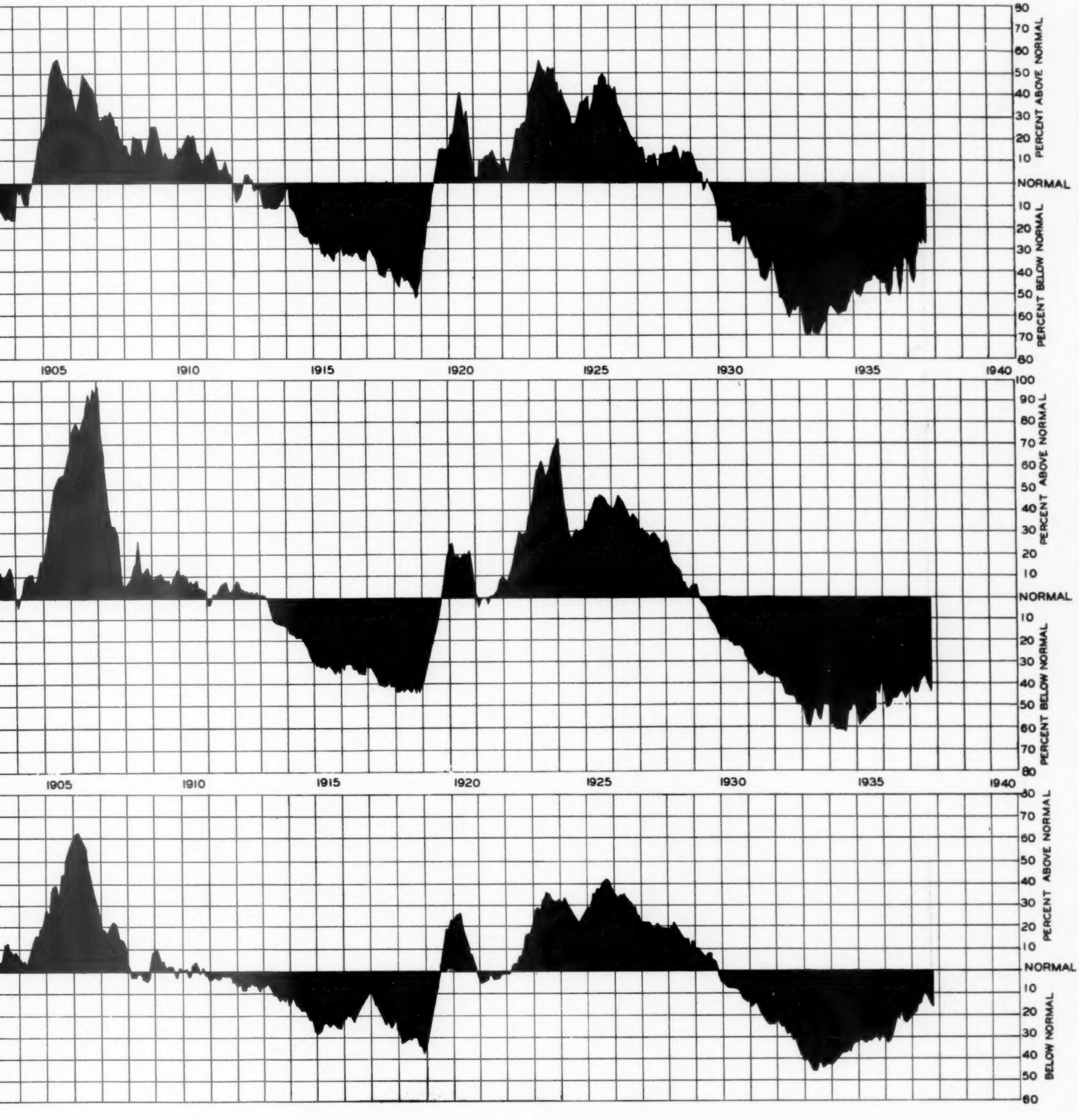
LOUIS



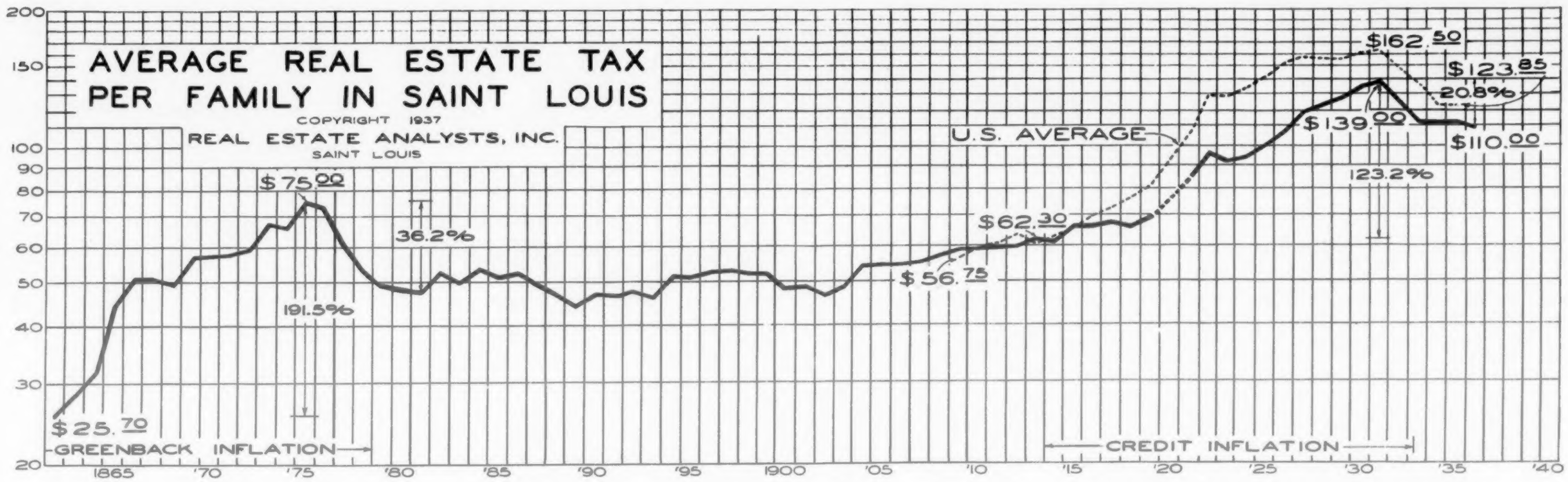

DENVER
DES MOINES
DETROIT
DULUTH
ELIZABETH
LOS ANGELES
LONG BEACH
LOUISVILLE
MEMPHIS
MIAMI
MILWAUKEE
OREG
PROVIDENCE
FALL RIVER
NEW BEDFORD
READING
RICHMOND, VA.
ROCHESTER
ST. LOUIS
WASHINGTON, D.C.
WICHITA
WILMINGTON
WORCESTER
YOUNGSTOWN
INDEX (1922-27 = 100)
140
120
100
90
80
70
60
50
40
30
25
1922
'25
'30
'35
'40



The three charts above show a comparison of the real estate cycle in Saint Louis, in the cities of the West Coast, and the general average of principal cities for the period from 1868 to the present. While there are some striking differences in the early years on these charts,the



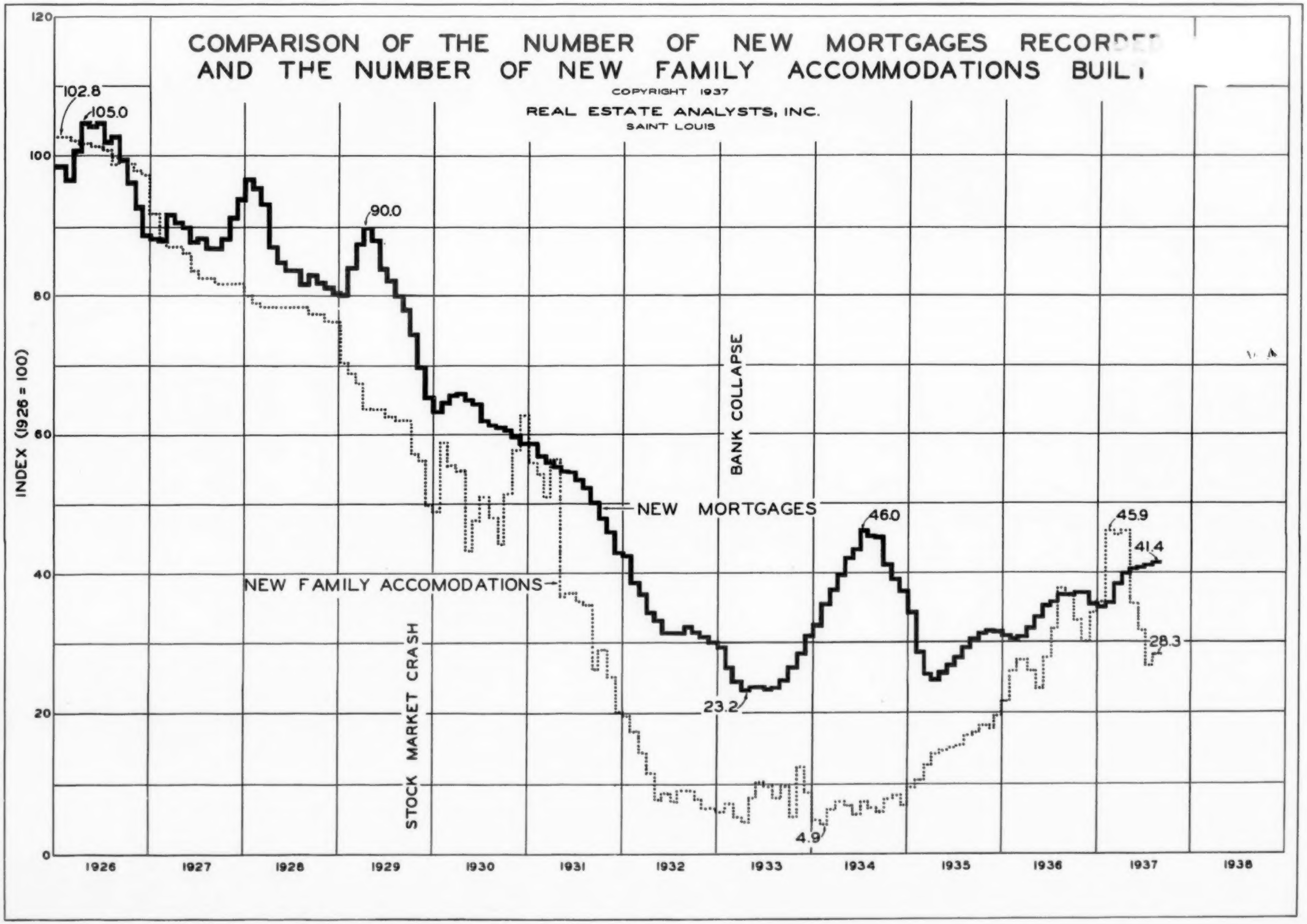
similarities of the booms and depressions are more striking than their differences. The metropolitan areas of Los Angeles and San Francisco have shown a greater degree of real estate improvement than the other communities of the West Coast.



THE chart above is a continuation of the real estate tax study contained in our Real Estate Tax Bulletin sent out a week ago. In that study we showed real estate taxes per family from 1909 to 1935 in each of the 94 cities with more than 100,000 population. On this chart we are showing the Saint Louis tax figures from 1862 through 1936. We have shown in contrast to the Saint Louis figures the average tax per family in the principal cities of the United States for the period in which we have computed the figures. It will be noticed that, during the period for which both the national average and the Saint Louis figures are available, Saint Louis is fairly typical. We are inclined to believe that after we have worked back other cities over this same period, we will find that they will follow in a general way the same fluctuation.

It will be noticed that the rise in taxes during the greenback inflation following the Civil War was greater on a percentage basis (191.5% increase) than the rise following the World War (123.2% increase). Also the drop during the big depression of the seventies (36.2% decrease) was greater than the drop we have now experienced (20.8% decrease).

We are inclined to believe that further sizable drops in real estate taxes per family cannot be expected in most cities where the tax experience has been fairly typical unless strong, organized effort is brought to bear, such as the campaign in Seattle under J. W. Wheeler. (By referring to the Seattle chart in the Tax Bulletin the results of his efforts can be seen.) As rents and values increase, however, the present tax load will be far easier to carry, as it will form a smaller percentage of the income derived from the property.


COMPARISON OF THE NUMBER OF NEW MORTGAGES RECORD
AND THE NUMBER OF NEW FAMILY ACCOMMODATIONS BUILT
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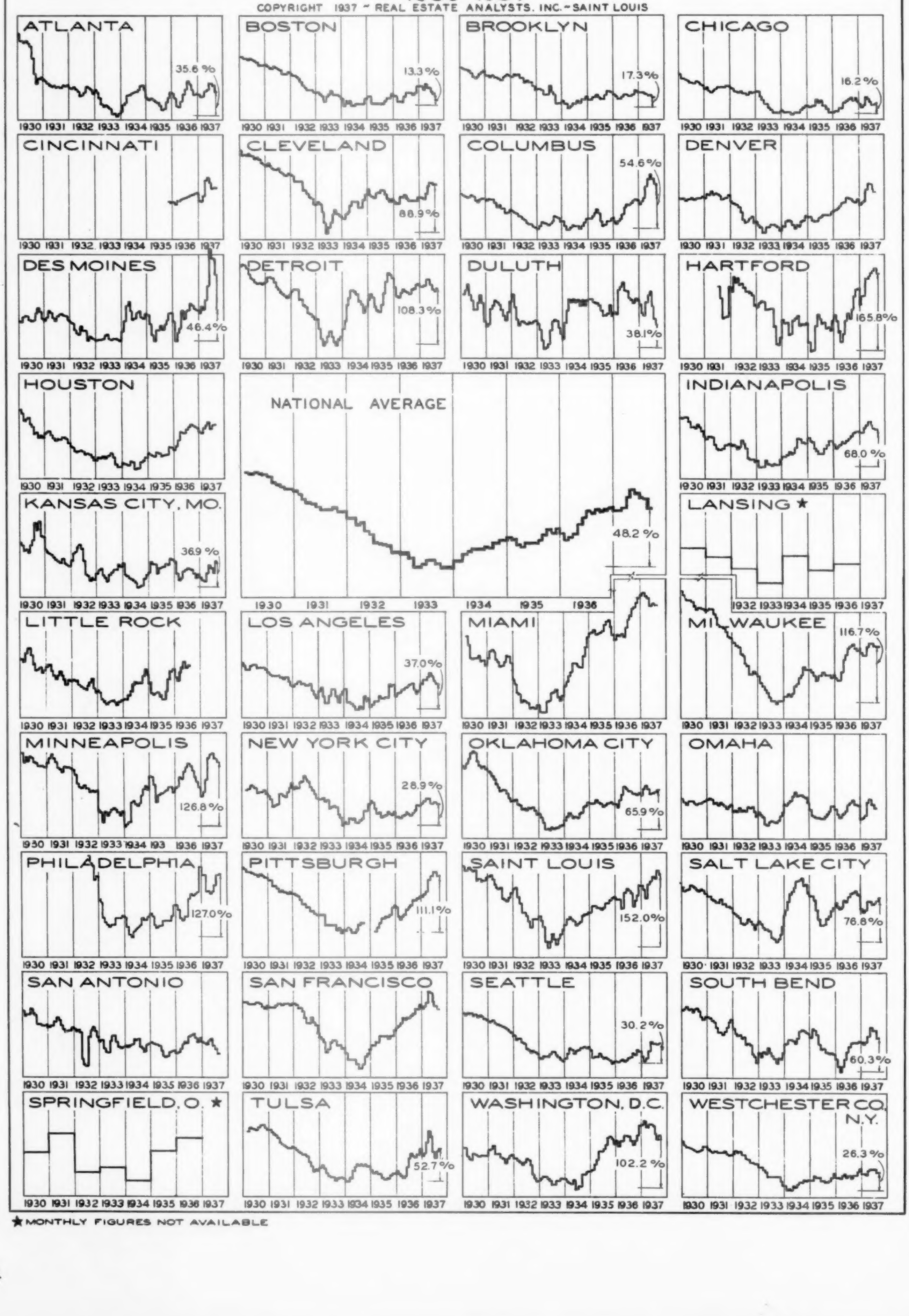
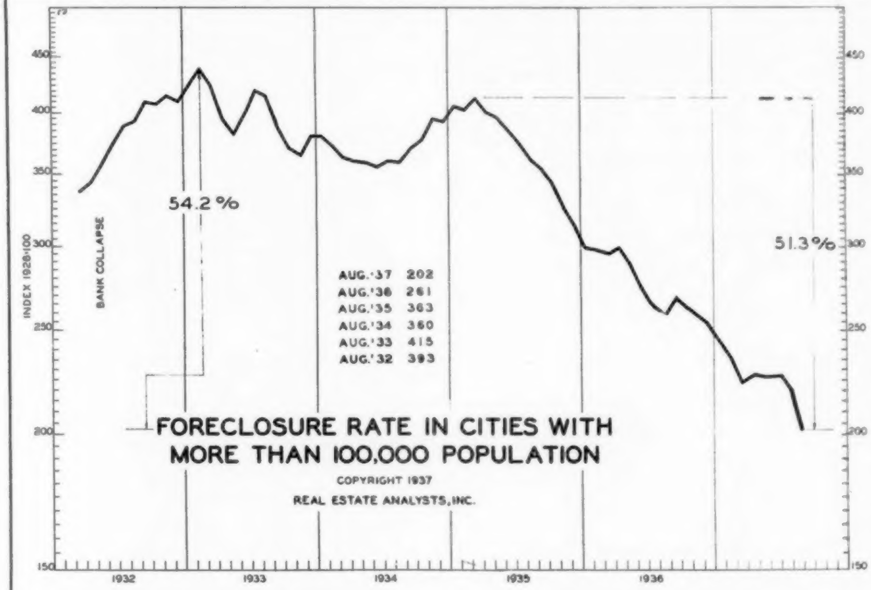
REAL ESTATE ANALYSTS, INC.
SAINT LOUIS
INDEX (1926 = 100)
120
100
80
60
40
20
0
102.8
105.0
90.0
23.2
46.0
4.9
45.9
41.4
28.3
NEW MORTGAGES
NEW FAMILY ACCOMODATIONS
STOCK MARKET CRASH
BANK COLLAPSE
1926
1927
1928
1929
1930
1931
1932
1933
1934
1935
1936
1937
1938

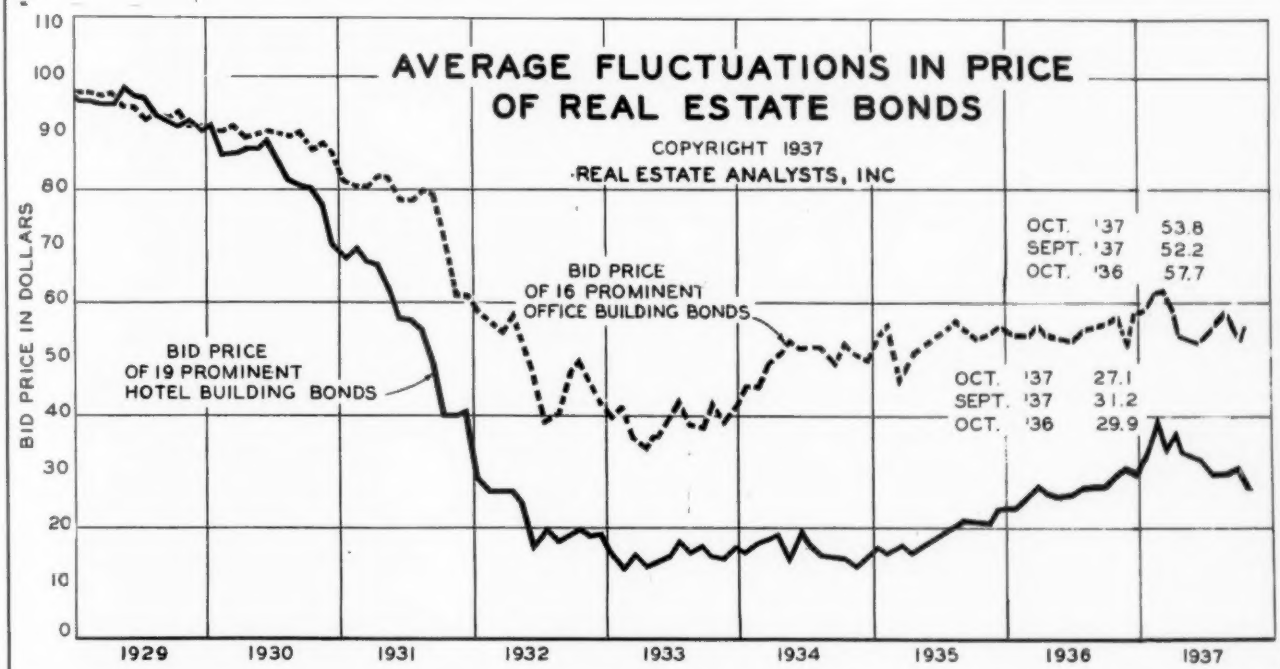
REAL ESTATE TRANSFERS IN PRINCIPAL CITIES
1930-1937



★MONTHLY FIGURES NOT AVAILABLE



THE chart to the right shows the monthly fluctuations in the foreclosure rate in cities having more than 100,000 population. This chart is corrected for seasonal fluctuation and is based on the compilations made by the HOLC. The dashed line on this chart shows the straight line trend, or the rate at which foreclosures have been declining. If this rate continues, foreclosures will be back to the 1926 level by the spring of 1940. It will be remembered that in 1926 we were approximately at the top of the real estate boom and that foreclosures at that time were almost negligible.



THE chart above shows the average fluctuations in the bid prices of office and hotel building bonds. The buildings used are only those on which quotations can be secured monthly. The office building list includes the following: Broadway Motors, Bryant Park, Bush Terminal, Carbide and Carbon, Chesebrough, Chrysler, Cleveland Terminal, Equitable (N. Y.), Graybar, Grant, Liggett, One LaSalle Street, Postum, Textile, Wanamaker (Phila.), Woodbridge. The hotel list is composed of issues of the following: Bowman-Biltmore, Eastern Ambassador Hotel, Eppley Hotels, George Washington Hotels, Hotel Lexington, Hotel Sherman, Hotel St. George, La Salle Hotel, Lord Baltimore, National Hotel of Cuba, Palace Hotel, San Francisco, Park Central Hotel, Pitts Hotel, Savoy-Plaza, Sevilla-Biltmore, Sherry-Netherland, Stevens Hotel, Waldorf-Astoria.